



PUBLIC NOTICE

Federal Communications Commission
45 L Street NE
Washington, DC 20554

News Media Information 202-418-0500
Internet: www.fcc.gov
TTY: 888-835-5322

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GRANT OF CONSOLIDATED COMMUNICATIONS HOLDINGS, INC. AND SEARCHLIGHT III CLV, L.P. PETITION FOR DECLARATORY RULING

IB Docket No. IB 21-172; IBFS File No. ISP-PDR-20210105-00001

By the Chief, International Bureau:

By this Public Notice, the International Bureau grants, as conditioned, the petition for declaratory ruling (Petition)¹ filed by Consolidated Communications Holdings, Inc. (Consolidated) and Searchlight III CVL, L.P. (Searchlight Aggregator) (together, Petitioners) pursuant to section 310(b)(4) of the Communications Act of 1934, as amended, 47 U.S.C. § 310(b)(4), and section 1.5000(a)(1) of the Commission's rules, 47 CFR § 1.5000(a)(1), to permit foreign ownership of the proposed controlling U.S. parent, Consolidated Communications, Inc. (CCI), to exceed the 25% benchmark specified in section 310(b)(4) of the Act. CCI is the parent of three licensees that hold common carrier wireless licenses.² Petitioners assert that the proposed foreign ownership of the controlling U.S. parent, CCI, would serve the public interest.

¹ See Restated Petition for Declaratory Ruling, File No. ISP-PDR-20210105-00001 (filed Jan. 5, 2021) (Petition). Petitioners filed a petition for declaratory ruling (File No. ISP-PDR-20201026-00011) on Oct. 26, 2020 that was withdrawn on Mar. 26, 2021. Petitioners filed a supplement on March 25, 2021, providing additional ownership information. Letter from Karen Brinkmann, Counsel for Consolidated, to Marlene H. Dortch, FCC, IBFS File No. ISP-PDR-20210105-00001 (filed Mar. 25, 2021) (March 25, 2021 Supplement). Petitioners filed a supplement on September 13, 2021, providing an updated status of the transaction, attaching a revised Second Closing Structure Chart, and clarifying that Mr. Andrew Frey, a U.S. citizen and also a limited partner of Searchlight Capital Partners III GP, L.P., is not considered to be insulated because he will serve on Consolidated's board of directors following the closing of the second stage of the transaction. Letter from Brett P. Ferenchak, Counsel for Consolidated, and Eve K. Reed, Counsel for Searchlight III CVL, L.P., to Marlene H. Dortch, FCC, IBFS File No. ISP-PDR-20210105-00001 (filed Sept. 13, 2021) (September 13, 2021 Supplement). Petitioners also filed a supplement on November 17, 2021, providing updated voting and equity calculations and attaching a revised Second Closing Structure Chart. Letter from Joshua M. Bobeck, Counsel for Consolidated, and Eve K. Reed, Counsel for Searchlight III CVL, L.P., to Marlene H. Dortch, FCC, IBFS File No. ISP-PDR-20210105-00001 (filed Nov. 13, 2021) (November 17, 2021 Supplement). Petitioners also filed applications for the transfer of authorization associated with wireless licenses. See ULS File Nos. 0009400415, 0009396563, 0009400421, and 0009408193 (Applications). Any action on this petition for declaratory ruling is without prejudice to Commission action on other related pending applications.

² Consolidated Communications of Northern New England Company, LLC, formerly Northern New England Telephone Operations LCC, and Consolidated Communications of Washington Company, LLC, formerly Ellensburg Telephone Company, provide Common Carrier Fixed Point to Point Microwave services. Consolidated Communications Enterprise Services, Inc. provides Millimeter Wave 70/80/90 GHz and Upper Microwave Flexible Use services. Petition, Exh. B at 2-3.

On April 20, 2021, the International Bureau released a public notice seeking comment on the Petition.³ On April 22, 2021, the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee) notified the Commission that it was reviewing the Petition for any national security and law enforcement concerns that may be raised by foreign participation in the United States telecommunications services sector and requested that the Commission defer action on the Petition.⁴ We deferred action on the Petition in response to this request from the Committee. On October 25, 2021, the National Telecommunications and Information Administration (NTIA), on behalf of the Committee, submitted a Petition to Adopt Conditions to Licenses (Committee Petition).⁵ No other comments were filed. Based on our review of the record, we grant the Committee Petition and condition grant of the Petition on compliance by Consolidated with the commitments and undertakings set out in the Letter of Agreement filed with the Committee Petition.

Searchlight and the Investment in Consolidated

Searchlight Aggregator, a Delaware limited partnership, is a special purpose vehicle that, through Searchlight III CVL II, L.P. (Searchlight Aggregator II), also a Delaware limited partnership, acts as an aggregator of a group of investment funds affiliated with Searchlight Capital Partners, L.P. (Searchlight), a Delaware limited partnership.⁶ According to the Petition, Searchlight is a global private equity investment company whose funds invest in companies across various sectors, including communications, media, consumer, and business services.⁷

Petitioners state that, pursuant to an investment agreement dated September 14, 2020, they agreed to a two-stage transaction that would ultimately result in Searchlight Aggregator owning 34.55% of Consolidated's common voting stock and up to approximately 49.21% of its equity⁸ in exchange for a total investment of \$425 million.⁹ According to the Petition, at the first stage of the transaction, which closed on October 2, 2020, Searchlight invested \$350 million in return for: (1) 8% of Consolidated's outstanding common voting stock; (2) a Contingent Payment Right (CPR) representing the right to receive either cash or, upon the receipt of certain regulatory and shareholder approvals, up to an additional 16.9% of Consolidated's outstanding common voting stock;¹⁰ and (3) the future right to receive a note with a principal amount of approximately \$395 million (the Note).¹¹ Petitioners state the Note, which is held in escrow, may become convertible into non-voting Series A Perpetual Preferred Stock

³ *Consolidated Communications Holdings, Inc. and Searchlight III CVL, L.P. File a Petition for Declaratory Ruling*, IB Docket No. 21-172, Public Notice, 36 FCC Rcd 7370 (IB 2021) (*Public Notice*).

⁴ Letter from Christine M. Quinn, U.S. Department of Justice, to Marlene H. Dortch, Secretary, FCC, IB Docket No. 21-172; IBFS File No. ISP-PDR- 20210105-00001; ULS File Nos. 0009400415, 0009396563, 0009400421, and 0009408193 at 1 and Attach. 1 (filed Apr. 22, 2021) (April 2021 Notification from Chair) .

⁵ Petition to Adopt Conditions to Licenses, IB Docket No. 21-172; IB File No. ISP-PDR20210105-00001, ULS File Nos. 0009400415, 0009396563, 0009400421, 0009408193 (filed Oct. 25, 2021).

⁶ Petition at 4.

⁷ *Id.*

⁸ According to the Petition, the exact percentage of Consolidated's total equity that Searchlight would hold at the second closing would vary based on the aggregate principal amount of the Note on the date of its conversion into the non-voting Preferred Stock and the value of Consolidated's common voting stock on that date. *Id.* at 5. The November 17, 2021 Supplement updated the voting and equity calculations to 34.55% and 49.21%, respectively. November 17, 2021 Supplement at 1-2.

⁹ *Id.* at 4-5.

¹⁰ For purposes of the Petition, the CPR was treated as equity. *Id.* at 6.

¹¹ *Id.* at 5-6.

(Preferred Stock) following the grant of a declaratory ruling and consummation of the second stage of the transaction.¹²

According to the Petition, the CPR entitles Searchlight Aggregator to a cash payment upon exercise or to specified amounts of Consolidated's common voting stock based upon receipt of approval by various state public utility commissions, receipt of shareholder approval, or transfers of common voting shares by Searchlight Aggregator or its affiliates.¹³ In addition, Petitioners state that the aggregate foreign ownership in Consolidated remains below the 25% benchmarks specified in section 310(b)(4) of the Act with the CPR treated as equity.¹⁴

Petitioners state that at the closing of the first stage of the transaction, the sole limited partner of Searchlight Aggregator was Searchlight Aggregator II, holding an insulated interest.¹⁵ However, Searchlight Capital III CVL Co-Invest Partners, L.P. (Co-Invest Partners), a Delaware limited partnership, subsequently became an additional insulated limited partner of Searchlight Aggregator and holds approximately 42% of its equity and no voting rights, reducing Searchlight Aggregator II's equity percentage to approximately 58%.¹⁶ The general partner of both Searchlight Aggregator and Searchlight Aggregator II is Searchlight III CVL GP, LLC, a Delaware limited liability company, which in turn is owned by Eric Zinterhofer, a U.S. citizen.¹⁷

According to the Petition, the limited partners of Searchlight Aggregator II, all of which are insulated, are Searchlight Capital III OPT, L.P. (Main Fund AIV), Searchlight Capital III OPT PV A, L.P. (PV Fund AIV A), and SC III PV CVL, L.P. (PV Splitter).¹⁸ These limited partners are investment funds, all of which are Delaware limited partnerships, and collectively hold a 100% equity interest in Searchlight Aggregator II.¹⁹ Petitioners state that the limited partners of Main Fund AIV, PV Fund AIV A, and Co-Invest Partners are insulated.²⁰ The sole limited partner of PV Splitter is SC III PV Cavalier Holdings, LP (SC III Cavalier), a Cayman Islands exempted limited partnership. In turn, the sole limited partner of SC III Cavalier is Searchlight Capital III OPT PV B, L.P. (PV Fund AIV B), a Delaware limited partnership.²¹ The limited partners of PV Fund AIV B are insulated and none of the limited partners would hold an indirect equity or voting interest in Consolidated of more than 10%, according to Petitioners.²²

Petitioners state that the second stage of the transaction would be consummated following grant of a declaratory ruling and shareholder approval.²³ According to the Petition, at the second stage of the transaction, Searchlight Aggregator would invest an additional \$75 million in Consolidated in exchange

¹² *Id.* at 6.

¹³ *Id.* at 6.

¹⁴ *Id.* at 6-7 and Exh. B at 8-12.

¹⁵ *Id.* at 10.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.* at 11.

¹⁹ *Id.*

²⁰ *Id.* at 11-13. According to the Petition, it is currently not anticipated that any such limited partner would hold an indirect equity or voting interest in Consolidated of more than 10%. *Id.*

²¹ *Id.* at 12.

²² *Id.* at 12-13. According to the Petition, all of the insulated limited partners of PV Fund AIV B are non-U.S.-based. The Petition provides a summary of the countries of citizenship or organization for the limited partners and approximate ranges of indirect equity and deemed voting interests. *Id.* at 13, n.23.

²³ *Id.* at 7.

for: (1) shares of common voting stock and/or a CPR representing an additional 10.1% of Consolidated's outstanding common voting stock;²⁴ and (2) receipt of the Note, which would become convertible into shares of non-voting Preferred Stock representing up to approximately an additional 42.1% of Consolidated's total equity.²⁵ After the closing of the second stage of the transaction and conversion of the CPR and the Note, the Petitioners state Searchlight Aggregator would own 34.55% of Consolidated's common voting stock and all of the non-voting Preferred Stock, which together would represent approximately 49.21% of the company's total equity.²⁶

At the closing of the second stage of the transaction, Searchlight Capital Partners III GP, L.P. (Searchlight III GP), a Cayman Islands exempted limited partnership, would become the general partner of both Searchlight Aggregator and Searchlight Aggregator II.²⁷ According to the Petition, none of the limited partners of Searchlight III GP, which are all insulated, would hold either indirect equity or voting interests in Consolidated of more than 10%.²⁸ Consolidated, in turn, wholly owns CCI, an Illinois corporation,²⁹ which is the parent company of the following three licensee subsidiaries that hold common carrier licenses subject to section 310(b)(4): (1) Consolidated Communications of Northern New England Company, LLC, (3) Consolidated Communications of Washington Company, LLC, and (3) Consolidated Communications Enterprise Services, Inc.³⁰ Searchlight III GP is controlled by its general partner, Searchlight Capital Partners III GP, LLC (Upper GP), a Delaware limited company.³¹ Upper GP, in turn, is currently controlled by Eric Zinterhofer (33.3% equity and voting), Erol Uzumeri (33.3% equity and voting), a Canadian citizen, and Oliver Haarmann (33.3% equity and voting), a German citizen.³² Petitioners state the exact equity interests that would be held by each limited partner of Searchlight Aggregators II (Main Fund AIV, PV Fund AIV A, and PV Splitter) and Co-Invest Partners upon consummation of the second stage of the transaction have not been determined as they would depend on the amount of the overall investment to be held by Co-Invest Partners at that time.³³ Petitioners state that one of the foreign insulated limited partners of Co-Invest Partners, IMCPE 2020 Inc (IMCPE 2020), a Canadian entity, would have a 10% or greater indirect equity interest in Consolidated.³⁴ In turn, IMCPE

²⁴ According to the Petition, at the closing of the second stage of the transaction, the allocation between the common voting stock and the CPR to be issued would depend on the extent to which various state public utility commission and shareholder approvals have been received. *Id.* at 7.

²⁵ Petition at 7. "The Note may be issued before this time in the event of termination of or intent to terminate the investment agreement between the parties or certain defaults under Consolidated's debt agreements, but will not become convertible into the non-voting Preferred Stock until after (1) the FCC grants a declaratory ruling permitting such conversion, and (2) Searchlight invests the additional \$75 million at the closing of the second stage of the Transaction." *Id.*

²⁶ *Id.* at 7. The November 17, 2021 Supplement updated the voting and equity calculations to 34.55% and 49.21%, respectively. November 17, 2021 Supplement at 1-2.

²⁷ *Id.* at 10.

²⁸ *Id.*

²⁹ See March 25, 2021 Supplement.

³⁰ *Id.*

³¹ Petition at 10.

³² *Id.* Petitioners also clarified that Mr. Andrew Frey, a U.S. citizen and also a limited partner of Searchlight Capital Partners III GP, L.P., is similarly not considered to be insulated because he will serve on Consolidated's board of directors following the closing of the second stage of the transaction. September 13, 2021 Supplement at 2.

³³ *Id.* at 11. Petitioners state upon consummation of the second stage of the transaction, it is anticipated that the total indirect equity and voting interests in Consolidated held by each fund would fall within the following ranges: (1) Main Fund AIV (19.4-31.1% equity, 10.9% voting); (2) PV Fund AIV A (6.0-9.6% equity, 3.4% voting); (3) PV Splitter (9.1-14.5% equity, 5.1% voting); and (4) Co-Invest Partners (44.7% equity, 15.6% voting). *Id.* at 11.

³⁴ *Id.* at 13.

2020 is 93.4% owned by 2020 Private Equity Fund, a British Columbian entity, which is wholly owned by British Columbia Investment Management Corporation, also British Columbian entity, as its trustee.³⁵

National Security, Law Enforcement, Foreign Policy, and Trade Policy Concerns

When analyzing a transfer of control or assignment application that includes foreign investment, we also consider public interest issues related to national security, law enforcement, foreign policy, or trade policy concerns.³⁶ As part of our public interest analysis, the Commission coordinates with the relevant Executive Branch agencies that have expertise in these particular issues.³⁷ The Commission accords deference to the expertise of these Executive Branch agencies in identifying issues related to national security, law enforcement, foreign policy, or trade policy concerns raised by the agencies.³⁸ The Commission, however, ultimately makes an independent decision on the application based on the record in the proceedings.³⁹

Pursuant to Commission practice, we referred the Petition to the relevant Executive Branch agencies for their reviews on any national security, law enforcement, foreign policy, or trade policy concerns related to the foreign ownership of the Petitioners.⁴⁰ On April 22, 2021, the Committee notified the Commission that it was reviewing the Petition for any national security and law enforcement concerns that may be raised by foreign participation in the United States telecommunications services sector and requested that the Commission defer action on the Petition.⁴¹ We deferred action on the Petition in response to this request from the Committee. On July 7, 2021, the Committee notified the Commission that the Petitioners had provided complete responses to initial questions posed by the Committee and that

³⁵ *Id.* at 14.

³⁶ See *Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, IB Docket 16-155, Report and Order, 35 FCC Rcd 10927 (2020) (setting rules and procedures for referring applications for Executive Branch review consistent with Executive Order No. 13913) (*Executive Branch Review Order*); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23918-21, paras. 59-66 (1997) (*Foreign Participation Order*), *recon. denied*, 15 FCC Rcd 18158 (2000) (in opening the U.S. telecommunications market to foreign entry in 1997, the Commission affirmed that it would consider national security, law enforcement, foreign policy, and trade policy concerns related to reportable foreign ownership as part of its overall public interest review of applications for international section 214 authority, submarine cable landing licenses, and declaratory rulings to exceed the foreign ownership benchmarks of section 310(b) of the Act). See also *T-Mobile/Sprint Order*, 34 FCC Rcd 10578, 10732-33, para. 349 (2019) (*T-Mobile/Sprint Order*).

³⁷ 47 CFR § 1.40001(a). See *Executive Branch Review Order*, 35 FCC Rcd at 10935-36, paras. 17, 24.

³⁸ *Executive Branch Review Order*, 35 FCC Rcd at 10930, para. 7 (citing *Foreign Participation Order*, 12 FCC Rcd at 23920-21, paras. 65-66; *Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Space Stations to Provide Domestic and International Satellite Service in the United States; Amendment of Section 25.131 of the Commission's Rules and Regulations to Eliminate the Licensing Requirement for Certain International Receive-Only Earth Stations*, IB Docket No. 96-111, CC Docket No 93-23, RM-7931, Report and Order, 12 FCC Rcd 24094, 24171-72, paras. 179, 182 (1997)). See also *T-Mobile/Sprint Order*, 34 FCC Rcd at 10733, paras. 349; *Review of Foreign Ownership Policies for Broadcast, Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Report and Order, 31 FCC Rcd 11271, 11277, para. 6 (2016), *Pet. for recon. dismissed*, 32 FCC Rcd 4780 (2017).

³⁹ 47 CFR § 1.40001(b) (“The Commission will consider any recommendations from the [E]xecutive [B]ranch on pending application(s) . . . that may affect national security, law enforcement, foreign policy, and/or trade policy as part of its public interest analysis. The Commission will evaluate concerns raised by the [E]xecutive [B]ranch and will make an independent decision concerning the pending matter.”).

⁴⁰ *Public Notice* at 5.

⁴¹ April 2021 Notification from Chair.

the Committee was conducting an initial review to assess whether granting the Petition would pose a risk to the national security or law enforcement interests of the United States.⁴²

In its petition to adopt conditions, the Committee advises the Commission that it has no objection to the Commission granting the Petition “provided that the Commission conditions its approval on the assurance of Consolidated Communications, Inc. (Consolidated), to abide by the commitments and undertakings set forth in the October 5, 2021, Letter of Agreement (LOA),” attached to the Committee Petition.⁴³

In accordance with the request of the Committee, and in the absence of any objection from the Petitioners, we grant the Committee Petition, and, accordingly, we condition grant of the Petition on compliance by the Petitioners with the commitments and undertakings set out in the LOA that apply to the Petition.⁴⁴ A failure to comply with and/or remain in compliance with any of the provisions of the LOA shall constitute a failure to meet a condition of this grant, the underlying authorizations, and the declaratory ruling and thus grounds for declaring the underlying authorizations, licenses, and declaratory ruling terminated without further action on the part of the Commission. Failure to meet a condition of this grant and the authorizations may also result in monetary sanctions or other enforcement action by the Commission.

Foreign Ownership Ruling Under Section 310(b)(4)

Pursuant to section 1.5001(i) of the Commission’s rules, Petitioners request that the Commission specifically approve the equity and/or voting interests that would be held in CCI, the controlling U.S. parent, upon completion of the proposed second stage of the transaction by foreign entities and foreign individuals at the percentages specified below.⁴⁵

Searchlight Capital Partners III GP, L.P. (<1% equity; 34.55% voting)⁴⁶ (Cayman Islands);
Erol Uzumeri (<1.0% equity, 34.55% voting)⁴⁷ (Canada);
Oliver Haarmann (<1.0% equity, 34.55% voting)⁴⁸ (Germany);
SC III PV Cavalier Holdings, LP (7.02% equity, 5.09% voting)⁴⁹ (Cayman Islands);
IMPCE 2020 Inc. (11.58% equity, 8.24% voting)⁵⁰ (Canada);
2020 Private Equity Fund (10.92% equity, 7.8% voting)⁵¹ (British Columbia); and

⁴² Letter from Christine M. Quinn, U.S. Department of Justice, to Marlene H. Dortch, Secretary, FCC, IB Docket No. IB 21-172; IBFS File No. ISP-PDR- 20210105-00001; ULS File Nos. 0009400415, 0009396563, 0009400421, and 0009408193 at 1 and Attach. 1 (filed July 7, 2021).

⁴³ Committee Petition at 1.

⁴⁴ *T-Mobile/Sprint Order*, 34 FCC Rcd at 10732-33, para. 349; *Foreign Participation Order*, 12 FCC Rcd at 23918-21, paras. 59-66.

⁴⁵ Petitioners state that equity and voting interests held indirectly have been calculated in accordance with §§ 1.5002 and 1.5003 of the Commission’s Rules. Petition, Exh. B at 12 n.10.

⁴⁶ November 17, 2021 Supplement at Exh. A-2.

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.*

British Columbia Investment Management Corporation (12.66% equity, 9.0% voting)⁵² (British Columbia).

As Petitioners seek approval for CCI, the controlling U.S. parent, to be up to and including 100% foreign-owned in the aggregate,⁵³ Petitioners also request, pursuant to section 1.5001(k) of the Commission's rules, advance approval for each of the foregoing entities and individuals to increase their indirect equity and/or voting interests in CCI up to a non-controlling 49.99%.⁵⁴

We received no comments regarding foreign ownership, and, as discussed above, NTIA, on behalf of the Committee, has advised the Commission that the Committee has no objection to the Commission granting the Petition "provided that the Commission conditions its approval on the assurance of Consolidated Communications, Inc. (Consolidated), to abide by the commitments and undertakings set forth in the October 5, 2021, Letter of Agreement (LOA)," attached to the Committee Petition.⁵⁵

We find that grant of the Petition will serve the public interest, convenience and necessity. We find, upon consideration of the record and pursuant to section 310(b)(4) of the Act and the Commission's foreign ownership rules and policies,⁵⁶ that the public interest would not be served by prohibiting foreign ownership of CCI, the controlling U.S. parent, in excess of the 25% benchmarks in section 310(b)(4) of the Act. We, therefore, grant the Petition subject to the conditions set out herein. This ruling authorizes 100% aggregate foreign ownership of CCI, as the controlling U.S. parent of the licensees, subject to the terms and conditions set forth in section 1.5004 of the Commission's rules.⁵⁷

In addition, pursuant to section 1.5001(i) of the rules, we approve the foreign equity and voting interests that would be held in CCI by each of the above-listed foreign entities and individuals in the amounts specified above. We also approve the Petition's request for advance approval, pursuant to section 1.5001(k), permitting the above-listed foreign entities and individuals to increase their equity and voting interests in CCI up to the amounts specified above.

Finally, under this ruling, Petitioners have an affirmative duty to monitor their foreign equity and voting interests, calculate their interests consistent with the principles enunciated by the Commission, including the standards and criteria set forth in sections 1.5002 through 1.5003 of the rules,⁵⁸ and

⁵² *Id.*

⁵³ Petition at 1.

⁵⁴ *Id.* at 2.

⁵⁵ Committee Petition at 2.

⁵⁶ *Foreign Participation Order*, 31 FCC Rcd 11272; see also *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Second Report and Order, 28 FCC Rcd 5741 (2013).

⁵⁷ 47 CFR § 1.5004. A few of the terms and conditions set forth in section 1.5004 of the Commission's rules are as follows: (1) where a previously unapproved foreign-organized entity is inserted into the vertical ownership chain of a licensee, or its controlling U.S.-organized parent, without prior Commission approval, the licensee shall file a letter to the attention of the Chief, International Bureau, within 30 days after the insertion of the new, foreign-organized entity; (2) a licensee that has received a foreign ownership ruling, including a U.S.-organized successor-in-interest to such licensee as part of a pro forma reorganization, or any subsidiary or affiliate relying on such licensee's ruling, shall file a new petition for declaratory ruling under § 1.5000 to obtain Commission approval before its foreign ownership exceeds the routine terms and conditions of this section, and/or any specific terms of conditions of its rulings; and (3) if at any time the licensee, including any successor-in interest and any subsidiary or affiliate knows, or has reason to know, that it is no longer in compliance with its foreign ownership rulings or the Commission's rules relating to foreign ownership, it shall file a statement with the Commission explaining the circumstances within 30 days of the date it knew, or had reason to know, that it was no longer in compliance.

⁵⁸ 47 CFR §§ 1.5002-1.5003.

otherwise ensure continuing compliance with the provisions of section 310(b) of the Act.⁵⁹ Failure to comply and/or remain in compliance with the terms of the declaratory ruling shall constitute grounds for declaring it terminated without further action on the part of the Commission. Failure to comply with this ruling may also result in monetary sanctions or other enforcement action by the Commission.

Grant of the Petition

After a review of the Petition and record in this proceeding, we find that the public interest would not be served by prohibiting the foreign ownership of Consolidated Communications Holdings, Inc., the controlling U.S. parent, in excess of the 25% benchmarks in section 310(b)(4) of the Act. We grant the Petition subject to the conditions set out herein.

Pursuant to sections 4(i)-(j), 5(c), 303(r), and 310(b) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i)-(j), 155(c), 303(r), 310(b), and sections 1.5001-04, and 1.40001-04 of the Commission's rules, 47 C.F.R. §§ 1.5001-04, 1.40001-04, and pursuant to the authority delegated under sections 0.51 and 0.261 of the Commission's rules, 47 CFR §§ 0.51, 0.261, we grant the Committee Petition to Adopt Conditions to Licenses filed by the NTIA. Grant of the Petition for Declaratory Ruling, ISP-PDR-20210105-00001, is subject to the conditions set forth herein and upon compliance, by Consolidated Communications, Inc., with terms of the Letter of Agreement from J. Garrett Osdel, Chief Legal Officer & Corporate Secretary, Consolidated Communications, Inc., to Chief, Foreign Investment Review Section (FIRS) and Deputy Chief, Compliance and Enforcement (FIRS), on behalf of the Assistant Attorney General for National Security, National Security Division, United States Department of Justice, and to Assistant Secretary for Trade and Economic Security, Office of Policy, U.S. Department of Homeland Security, dated October 5, 2021.

Any failure to comply and/or remain in compliance with any of the conditions set out in the Public Notice shall constitute a failure to meet a condition of the declaratory ruling and the underlying authorizations and licenses, and thus grounds for declaring the declaratory ruling, authorizations, and licenses terminated without any further action on the part of the Commission. Failure to meet a condition of the authorizations, licenses, or declaratory ruling may also result in monetary sanctions or other enforcement action by the Commission.

Pursuant to section 1.103 of the Commission's rules, 47 CFR § 1.103, the consent granted herein is effective upon the release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 CFR §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Kimberly Cook, International Bureau, (202) 418-7532.

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⁵⁹ 47 CFR § 1.5004, note to paragraph (a).